

Enhances Community Economic Welfare with Village Fund Allocation and Village Policies

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Abstract

This study describes the benefits of village fund allocation, the benefits of village funds and village policies on community welfare. This is also done to find out whether the benefits of village fund allocation, the benefits of village funds and village policies equally affect the welfare of the community. This research was conducted in the village of Uteun Pulo, East Seunagan district, Nagan Raya district. The respondents consisted of 38 heads of families from various educational backgrounds and different occupations. All data were processed by multiple regression analysis by looking at the validity, reliability, and hypothetical testing with F t test and determination test. The results of this study indicate that the benefits of village fund allocation

Keywords

Village Fund Allocation Benefits (ADD); Village Fund Benefits (DD); village policy; community welfare



I. Introduction

According to the prevailing laws and regulations in Indonesia, what is meant by a village is a legal community unit that has territorial boundaries that are authorized to regulate and manage the interests of the local community, based on local origins and customs that are recognized and respected in the law. Unitary State Government system Republic Indonesia.

Administratively, the village is the smallest form of government led by the village head through a direct election. As a form of government at the lowest level, the village apparatus is the spearhead in managing everything administrative by the community. From the understanding that has been stated above, it can be understood that the village is a something government organization that by politicians have certain powers to take care of and organize citizens or the community.

With this position the village has a very important role in supporting the success of the national government at large. The village becomes the front line in achieving the success of all government affairs and programs. This is also in line with the composition of the Indonesian population according to the last census in 2000 that about 60% or most of the Indonesian population currently still lives in the area rural settlement. Then it becomes very logical if village development becomes a top priority for the success of national development.

Through the authority possessed by the village to manage and regulate its citizens, it can be said that the village has been given the power to take care of itself or in other words, has been given autonomy to the village with the aim of creating prosperity for its people. As a logical consequence of the authority and demands of the implementation of village autonomy is the availability of sufficient funds. As in the implementation of regional autonomy. In line with the opinion that "autonomy" is synonymous with "autonomy", then to regulate and manage its own household, the village requires adequate funds or costs to support the implementation of the authority it has.

The Village Fund Policy is set by the government through Government Regulation No. 60 of 2014 concerning Village Funds sourced from the State Revenue and Expenditure Budget. This policy is intended to create a strong, advanced, independent and democratic village, so that the role and potential of the village must be empowered. Before this village fund policy was established, there was already one policy which was essentially to finance the areas of government, development and village community, namely the Allocation of Village Funds. The Village Fund Allocation is allocated sourced from Regional Income and Expenditures. Thus the village fund policy is a new policy resulting from the development of previous policies, which are directed at improving the welfare of rural communities, the quality of human life, and poverty alleviation.

The village fund policy has been implemented since the 2015 fiscal year. Until 2017 the government has allocated a Village Fund ceiling sourced from the APBN of 127.6 trillion rupiah for 74,954 villages in Indonesia. In the 2015 budget year, 20.7 trillion rupiah was allocated and in 2016 46.9 trillion rupiah (tribunnews.com/national/2015).

Village development planning as referred to in Government Regulation Number 72 of 2005 article 64 paragraphs 1 and 2 is prepared in a time-framed manner including the Village Medium-Term Development Plan (RPJMDes) for a period of 5 years and the Village Development Work Plan, hereinafter referred to as RKPD, which is an elaboration of the RPJMD for the long term. for a period of 1 year, the Village Medium-Term Development Plan is stipulated in a village regulation and the village development work plan is stipulated in a Village Head Decree based on the Regional Regulation.

The implementation of the Village Fund Allocation is carried out physically and non-physically related to village development indicators, village development indicators including education level, income level, health level. However, some villages are still far from physical development.

It can be analogized that the Village Fund Allocation and Village Fund are General Allocation Funds or Special Allocation Funds for Uteun Pulo Village, and for Uteun Pulo Village the Village Fund and Village Fund Allocations are the main source of financing because of the limited PADes. However, based on information obtained from the community, the village apparatus and village head of Uteun Pulo did not position the Allocation of Village Funds and Village Funds as a stimulant for community empowerment, the Allocation of Village Funds and Village Funds was only allocated to infrastructure and physical development that had short-term benefits or small contributions to the community. public welfare.

The lack of direction in the distribution of Village Fund Allocations and Village Funds in Uteun Pulo Village so far can be seen from the fact that village government officials only allocate the Village Fund Allocation and Village Fund budgets for physical repairs/improvements of roads, buildings, drainage and others. Uteun Pulo village government officials do not direct the Village Fund Allocation and Village Fund budgets for more productive financing, for example the establishment of BUMDes, Village Banks, Village Markets, revolving capital loans without interest for SME/RT development activities in the village, development of village superior products, or other productive activities.

II. Review of Literature

2.1. Public Welfare

The term welfare is not new, both in global and national discourse. In discussing the analysis of the level of welfare, of course we must first know the meaning of prosperous. Welfare includes security, safety and prosperity. The notion of prosperity according to WJS Poerwardaminta is a condition that is safe, peaceful, and prosperous. In another sense, if the need for security, safety and prosperity can be met, then prosperity is created.

According to Law No. 11 of 2009, concerning Community Welfare, "community welfare is a condition of meeting the material, spiritual, and social needs of citizens in order to live properly and be able to develop themselves, so that they can carry out their social functions."

According to Soetomo (2014: 47) "welfare is a condition that contains elements or components of order, security, justice, peace, prosperity and an orderly life containing a broad meaning, not only the creation of order and security but also justice in various dimensions." Welfare indicators contain five components, namely:

1. Community interests.
2. Needs met
3. Social Unity
4. Security
5. Safety

According to Fahrudin (2012) "Welfare is a condition where a person can meet basic needs, be it the need for food.

2.2. Allocation of Village Funds

The Village Fund Allocation was revised from the General Allocation Fund with several additional proportions. The source of the Village Fund Allocation comes from the APBN in the amount of 25% or the so-called balancing fund which is distributed to the regions called the General Allocation Fund, from the general allocation fund, the district then gives 10% to the village which is then called the Village Fund Allocation in the context of regional autonomy. Namely giving trust to the village to take care of its household in accordance with the needs of the village in the context of empowering the community to prosper the lives of the village community.

Then empowerment can also be interpreted as one of the solutions for those who experience powerlessness so that they participate in feeling the results of development that they have not fully felt, this is because development is actually considered as something that weakens the position of vulnerable communities. (Adiwijaya et al, 2018). According to Heathfield in Abida, et al. (2020) explains that Empowerment plays an important role in employee satisfaction thereby increasing their performance in the organization. Empowerment is also defined as a process that allows and gives authority to individuals to think, behave, take action and make decisions and control work independently. It is the feeling of self control of one's own destiny. Community empowerment as an application of government programs requires full enthusiasm from the community itself so that they will make every effort to improve the quality of their human resources in a total and continuous manner. Many efforts have indeed been carried out by the government, one of which is by providing assistance which is directly channeled to remote villages to support village development and the development of local potentials that are undoubtedly empowered. (Mawardi et al, 2019)

Based on Article 1 paragraph 9 (PP 43/2014) "Village Fund Allocation is a balancing fund received by a district/city in the district/city Regional Revenue and Expenditure Budget after deducting the Special Allocation Fund". According to Sujadi, et al. (2014: 196) "Village Fund Allocation is the right of the village as district/city regional governments have the right to obtain General Allocation Funds and Special Allocation Funds from the Central Government".

2.3. The Purpose of the Village Fund Allocation

According to Sujadi, et al. (2014: 196) "To maximize the management of the Village Fund Allocation provided by the Regency government to the Village, the Village Fund Allocation has other objectives:

1. To strengthen village financial capacity (APBDes), the APBDes sources consist of PADes plus Village Fund Allocation.
2. To provide flexibility for the village in managing government, development and village social issues.
3. To encourage the creation of village democracy.
4. To increase income and equity in order to achieve the welfare of rural communities.

2.4. Village Fund Allocation Benefits

The benefits of Village Fund Allocation are as follows:

1. Villages can save on development costs, because villages can manage their own development projects and the results can be maintained properly for sustainability.
2. Each village obtains equitable development so that it is better able to provide services to the village community.
3. Villages obtain budget certainty for village government operational expenditures. Prior to the Village Fund Allocation, the amount of village government operational expenditure was uncertain.
4. Villages can handle village feelings quickly without having to wait long for a program from the Regency/City government to arrive.
5. Villages no longer depend solely on community self-reliance in managing government, development and social issues in the village.

2.5. Village Fund Allocation Program

Allocation of Village Funds used to finance village administration activities with the following priorities (Minister of Home Affairs Regulation No. 21 of 2011 concerning Guidelines for Regional Financial Management):

- For village development costs.
- For community empowerment.
- To strengthen public services in the village.
- To strengthen village participation and democracy.
- For village officials allowances.
- For BPD allowances.

III. Research Methods

The approach in this research is a qualitative/associative approach. According to Russiadi, et al (2014: 12) "a qualitative/associative research approach is a study that aims to determine the degree of relationship and the pattern/form of influence between two or more variables. Where with this research, a theory will be built that serves to explain, predict and control a symptom. To obtain materials and information in the form of effective data and information, it is carried out through several stages:

1. Observation

Namely conducting direct observations of current conditions regarding the level of welfare of the people of Uteun Pulo village, East Seunagan District, Nagan Raya Regency.

2. Documentation

Namely, the author collects some information in the form of data on allocation of village funds, village funds and village government policies and community conditions as well as documentation of activities in Uteun Pulo village, Seunagan Timur District, Kabua.

3. Questionnaire

According to Suroyo Anwar (2009:168) "Questionnaires or questionnaires are a number of questions or written statements about factual data or opinions relating to the respondent, which are considered facts or truths that are known and need to be answered by respondents and a questionnaire sheet has been prepared in the research conducted. using a Likert scale.

"Questionnaire is also known as a questionnaire, this tool consists mainly of three parts, namely: the title of the questionnaire, an introduction containing the objectives, or instructions for filling out the questionnaire, and question items containing opinions or opinions and facts." Komalasari (2011:81)"Questionnaire as a data collection tool in a non-test assessment, in the form of a series that is submitted to respondents (students, parents or the community)." Komalasari (2011:81)

Sugiyono (2013 :134) in the preparation of questions required quantitative analysis, then the answer to the instrument can be given a score. The Likert scale and scoring used in this study are:

1. Strongly disagree given a score of 1
2. Disagree is given a score of 2
3. Neutrals are scored 3
4. Agree given a score of 4
5. Strongly agree given a score of 5

IV. Results and Discussion

4.1. Results of Reliability Analysis

The reliability test according to Sugiyono (2010: 354) is carried out to find out how far the measurement results remain consistent if two or more measurements are made of the same symptoms using the same measuring instrument. Reliability test is conducted to determine whether the measuring instrument designed in the form of a questionnaire is reliable, a reliable measuring instrument if the measuring instrument is used repeatedly will give relatively the same results (not much different). To see whether or not a measuring instrument is reliable, a statistical approach is used, namely through the reliability coefficient and if the reliability coefficient is greater than 0.60 then the overall statement is declared reliable (reliable).

4.2. Classic Assumption Test Results

a. Normality Test

The normality test of the data is carried out before the data is processed based on the proposed research models. The normality test aims to find out whether the confounding or residual variables have a normal distribution. If this assumption is violated, the regression model is considered invalid with the number of samples available.

The normality test aims to test whether in the regression model the confounding variable or residual has a normal distribution. As it is known that the t test and F test assume that the residual value follows a normal distribution. If this assumption is violated, the statistical test becomes invalid for small samples. Normality test in this study using Kolmogorov-Smirnov. This study uses a significant level of 5% by looking at the significance (Asymp. Sig. at the output of the Statistic Package for Social Science) of the Kolmogorov-Smirnov value > 5%, the data used is normally distributed (Imam Ghazali, 2011 :164).

b. Multicollinearity Test

The multicollinearity test aims to test whether there is a correlation between the independent variables in the regression model. This test is carried out by looking at the tolerance and variance inflation factor (VIP) values from the analysis using SPSS. If the tolerance value is > 0.10 or VIP < 10, it is concluded that there is no multicollinearity.

c. Heteroscedasticity Test

The heteroscedasticity test is to see if there is an inequality of variance from the residuals from one observation to another. Detection of heteroscedasticity can be done using the scatterplot method by plotting the ZPRED value (prediction value) with SRESID (residual value). The basis of analysis to look for symptoms of heteroscedasticity are:

If there is a certain pattern, such as dots that form a certain regular pattern (wavy, widen and then narrowed, heteroscedasticity has occurred).

If there is no clear pattern, the dots spread above and below the number 0 on the Y axis, then there are no symptoms of heteroscedasticity (Rusiadi, 2014: 154)

The autocorrelation test is to see whether there is a correlation between a period and the previous period (t-1) in a simple way that regression analysis is to see the effect of the independent variable on the dependent variable so there should be no correlation between observations and previous observation data.

d. Multiple Linear Regression Test

In this study the authors used multiple linear regression analysis techniques. Where is the calculation of the data using the multiple linear regression method using the equation:

$$Y = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \varepsilon$$

Information:

Y= social welfare = constant

X1=Village Fund Allocation X2=Village Fund

X3= Policy

=Regression coefficient =Error

Test of Fit (Test Goodness of Fit)

The suitability test (Test Goodness of Fit) aims to find out whether the temporary answer to a problem referred to as a guide in the research that has been put forward by the researcher is correct and looks for the real answer.

1. t test (partial)

Partial hypothesis testing, namely individual testing, can be tested using a test (T-Test) aimed at knowing the effect of each independent variable (X) on the dependent variable (Y). The formulation of the hypothesis test in this study is as follows:

H0: 1: 2: 3 = 0, there is no partially significant effect of the independent variable on the dependent variable.

H0: 1: 2: 3 $\neq$ 0, there is a partially significant effect of the independent variable on the dependent variable.

The decision-making criteria are:

t count t table at = 5% then H0 is accepted tcount t table at = 5% then H0 is rejected

2. F Uji test

F test to determine the simultaneous effect of independent variables on the dependent variable. The test criteria are:

Accept H0 (reject Hi), if Fcount $\leq$ Ftable or sig F 5%

Reject H0 (accept Hi), if Fcount $>$ Ftable or sig F 5%

e. Coefficient of Determination Test

The coefficient of determination is used to find out how big the relationship of several variables is in a clearer sense. The coefficient of determination will explain how much change or variation in a variable can be explained by changes or variations in other variables. In everyday language is the ability of the independent variable to contribute to the dependent variable in percentage units. The value of this coefficient is between 0 and 1, if the result is closer to 0 it means the ability of the independent variables to provide almost all the information needed to predict the variation of the dependent variable (Russiadi, 2013:279).

V. Conclusion

From the results of the study after being analyzed statistically, several conclusions can be drawn, including: The benefits of the Village Fund Allocation partially have a positive and significant effect on the welfare of the community. The benefits of the Village Fund partially have a positive and significant effect on the welfare of the community. Village policy partially has an effect positive and insignificant to well-being public. Village Fund Allocation Benefits, Village Fund Benefits, and Village Policies simultaneously have a positive and significant impact on community welfare.

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